

EXHIBIT C



State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF AIR QUALITY
Richard W. Sprott
Director

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

FILE COPY

DAQE-GN0327010-06

January 27, 2006

Reed Searle
Intermountain Power Agency
10653 South River Front Parkway, Suite 120
South Jordan, Utah 84095

Re: Review of the Approval Order DAQE-AN0327010-04 dated October 15, 2004.

Dear Mr. Searle:

The Utah Division of Air Quality (UDAQ) has received your letter dated January 13, 2006 in accordance with Approval Order number DAQE-AN0327010-04.

UDAQ reviewed your AO in accordance with the R307-401-11 of the Utah Administrative Code (UAC) and prepared the attached Memo.

Please note that Executive Secretary will not exercise the right to revoke the above referenced AO as outlined in R307-401-11. However, by April 15, of 2008, IPSC shall again notify the Executive Secretary in writing on the status of the construction and/or installation. At that time the Executive Secretary shall require documentation of the continuous construction and/or installation of the operation and may revoke the AO in accordance with R307-401-11, UAC.

Sincerely,

Richard W. Sprott, Executive Secretary
Utah Air Quality Board

RWS: MR:kw

Attachment: GN0327010A-06



State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF AIR QUALITY
Richard W. Sprott
Director

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

FILE COPY

DAQE-GN0327010A-06

MEMORANDUM

TO: Intermountain Power Service Corporation (IPSC) Project Source File (Site ID 10327)

THROUGH: Richard W. Sprott, Executive Secretary *[Signature]*
Regg Olsen, Permitting Branch Manager *ROO 1/24/06*
Rusty Ruby, NSR Section Manager, *R 1/24/06*

FROM: Milka Radulovic, NSR Engineer

SUBJECT: Review of the Approval Order (AO) for IPSC Unit #3 number DAQE-AN0327010-04 in Accordance with Condition 8 and Utah Administrative Code (UAC) Rule 307-401-11

DATE: January 23, 2006

We reviewed the IPSC letter dated January 13, 2006, sent to UDAQ in accordance with AO Condition 8. Reviewing the letter UDAQ finds that IPSC is engaged in many project development activities at substantial expense in excess of 5 million dollars.

UDAQ also finds that on November 12, 2004, IPSC petitioned the Utah Air Quality Board for review of Condition 24 in the AO dated October 15, 2004. Settlement negotiations took place between UDAQ and IPSC, resulting in a Joint Stipulation. The Joint Stipulation was approved by the Order of the Air Quality Board on September 7, 2005. The AO incorporates the terms of the Joint Stipulation. In addition, on November 15, 2004, Western Resources Advocates appealed the AO and action on the appeal is pending. These actions caused significant delay and necessitated an extension of the construction program.

For these reasons the Executive Secretary will not exercise the right to revoke the above referenced AO as outlined in R307-401-11. However, by April 15, of 2008, IPSC shall again notify the Executive Secretary in writing on the status of the construction and/or installation. At that time the Executive Secretary shall require documentation of the continuous construction and/or installation of the operation and may revoke the AO in accordance with R307-401-11, UAC.